SYNOPSIS

ON

CORPORATE GOVERNANCE DISCLOSURE PRACTICES IN BRICS COUNTRIES:

A COMPARATIVE STUDY OF BANKING SECTOR

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SUBMITTED BY

PARUL SARASWAT

RESEARCH SCHOLAR

DEPT.OF ACCOUNTANCY & LAW

FACULTY OF COMMERCE

UNDER THE SUPERVISION OF:

DR. SANIL KUMAR

DEPT.OF ACCOUNTANCY & LAW

FACULTY OF COMMERCE

DAYALBAGH EDUCATIONAL INSTITUTE

(DEEMED UNIVERSITY)

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CONTENTS OF SYNOPSIS

S.NO	PARTICULAR	PAGE NO.
1.	INTRODUCTION	1-2
2.	REVIEW OF LITERATURE	3-7
3.	NEED OF THE STUDY	8
4.	OBJECTIVES OF THE STUDY	9
5.	RESEARCH HYPOTHESIS	9
6.	RESEARCH METHODOLOGY	10-13
	REFERENCES & BIBLIOGRAPHY	14-17

INTRODUCTION

Corporate governance refers to the set of systems, principles and processes by which a company's governed. It provides the guidelines to the companies how the company can be directed or controlled. Such that it can fulfill its goals and objectives in a manner. It is beneficial for all the Stakeholders. Stakeholders include the Board of directors, Management, Shareholders to Customers and Employees. It is a system of the rules and regulation by which the Companies are following in an organization. It is a relationship between the Company's Management, its Board, its Shareholders and other Stakeholders, and the goals for which the corporation is governed. It is a Focusing on the internal and external corporate structures with the intention of monitoring the actions. It is a method of governing the company.

Corporate governance effects on the factors of the organization structure. In internal of corporate structure include the internally factor which affect the organization structure of corporate governance like the board of directors, executives, and other employees. In external of corporate structure include the Stakeholder, Suppliers and Customers affected by the organization structure. It is a relationship between the board of directors, company's management, and other stakeholder in which the objectives of the companies are set and to achieve these objectives of the company through these parties. It's also a relationship between the owners and the managers in an organization must be healthy and there should be no conflict between the two. The owners must see that individual's actual performance in an organization.

ABOUT BRICS

The acronym "BRIC" was initially formulated in 2001 by retired chairman Jim O'Neill, of Goldman Sachs (American Multinational Investment Banking firm). He presented the report on growth prospects for the economies of Brazil, Russia, India and China which together represented a significant share of the world's production and population.

BRICS is a group of five major countries Brazil, Russia, India, China and South Africa. This grouping was originally known as "BRIC" before the inclusion of South Africa in 2010. South Africa began efforts to join the BRIC grouping and the process of joining began2010 in August of that year. South Africa became a member of the nation countries on 24 December 2010.

The group was renamed BRICS after joined the South Africa. In these countries economic are very large and fast-growing economies. All five countries are also a member of G-20 countries. These countries leader met in the every year and they talk about the different issue so the meeting of the leader is called the BRICS SUMMIT.

The first BRIC summit held on 16 June 2009 in Russia and hosted by the president of Russia. On the first BRIC summit attend the leaders of the countries Brazil, Russia, India and China. All countries attend the first BRIC summit expect the South Africa because at that time south Africa is not a member of BRICS.

The second BRICS summits held in Brasília, Brazil on 15 April 2010 with the Luiz Inacio Lula da Silva. All five-member attend BRICS summit held in 2011. In April 2011 South Africa become a member of BRICS Nation So the President of South Africa, “Jacob Zuma” attended the third BRICS summits in china, 2011.BRICS members are all developing countries. The fourth BRICS summit held in India 2012 and these summit hosted by the India Prime Minister Dr. Manmohan Singh. The fourth summits of BRICS attend to all the member countries. In 2013, the fifth BRICS summits held in South Africa in Durban with the hosted by the leader of South Africa Zuma and sixth summits of BRICS countries held in 2014 in Brazil. Fifth and sixth summits attended by the president of all the nation countries BRICS.

In 2015 the seventh BRICS summit will be held in RUSSIA and these summits will be host by the president of Russian Vladimir Putin.

REVIEW OF LITERATURE

Literature review means to find other articles, books or information about the subject you are researching. One of the purposes is to show that your subject is worthy of researching because others have also researched it. It also gives you a place where to begin to write and research your subject.

In the view of last few years' research these studies conducted so far on Corporate Governance disclosure practices. These studies have been classified into two groups:-

- **Studies at National Level**
- **Studies at International Level**

INTERNATIONAL REVIEWS

S.NO	AUTHOR	YEAR	TOPIC	OBJECTIVE	FINDING
1.	Nurlan Orazalin and Rashid Makarov	2014	Corporate Governance and Firm Performance in the Oil and Gas Industry of Russia	To know the corporate governance structures and firm performance in oil and gas industry	Researcher found that the board size and independent directors on the board do not affect firm performance. It implies that managerial ownership increases earnings and therefore improves accounting performance in the Russian Oil and Gas companies.
2	Faleh Salem AL kahtani	2013	A study on the current practices of Saudi corporate governance	To know the framework of the Saudi corporate governance practices in Saudi companies	Researcher found that a Saudi corporate governance practice has been promulgated in accordance with principles of on-going.
3.	Ducvo ab & thuyphan	2013	Corporate governance and firm performance: empirical evidence from Vietnam	To study the quantify the relationship between corporate governance and the performance of firms in Vietnam	The findings of this study indicate that elements of corporate governance such as the board members, CEO and the compensation of board members have positive effects on the performance of firms, as Measured by the return on asset (ROA).

4	Adegbemi B.O Onakoya and Donald Ikenna Ofoegbu	2013	Corporate Governance and Bank Performance: A study of selected banks in Nigeria	To examines the impact of the corporate governance on bank performance in Nigeria.	The study has shown the negativities impact on the bank performance of the corporate governance. This is indicated by the negative relationship as poor corporate governance increases and the performance of the banks falls.
5.	Kabir Md. Humayun and Ismail Adelopo	2012	A Comparative Analysis of the Corporate Governance Practices in Multinational and Domestic Banks in Zimbabwe	To analyzing the corporate governance practices by multinational banks in comparison to domestic banks in Zimbabwe.	The finding indicated that multinational banks were superior then domestic banks because multinational banks fellow the all norms of corporate governance as an enhance their corporate governance strategies.
6.	Ajanthan A. Balaputhiran S and Nimalathashan	2012	A study on the impact of corporate governance on bank performance in Sri lanka	To know the impact of corporate governance on banking performance in Sri lanka	The finding of the study that all variables of corporate governance are correlated with the measurement of the ratio of the banks like ROE and these banks does not showing the element in the annual report except BD and BMF other variables have strong negative impact.
7.	Shanta Kar and Mithunsarker	2011	Corporate governance practices in private commercial banks-a study on Khulna city	To Evaluate the practices of Corporate Governance codes by the Private Commercial Banks of Bangladesh	The Researcher has found that Corporate Governance codes properly to bring the authenticity in its operations and to bring the faith of the stakeholders as well as the people of Bangladesh.
8.	Nadia Mans-Kemp and Pierre Erasmus	2011	Corporate governance disclosure in South Africa	To determine ESG disclosure focusing on corporate governance for a South	The finding indicated that despite the rapid regulatory, voluntary and market-based code developments, the corporate governance

				African.	Reporting of some South African firms are still relatively weak.
9	Jochen A. Brellochs	2007	A Study on Corporate Governance practices in Multinational Corporations - A Theoretical Analysis and Empirical study from Europe	To study the corporate governance practices in MNCs	Researcher found that European Multinational corporation fellow the only mandatory norms of corporate governance.

NATIONAL REVIEWS

S.NO	AUTHOR	YEAR	TOPIC	OBJECTIVE	FINDING
1.	Batani Raghavendra Rao and. Neelam Bhardwaj	2014	corporate governance practices in India	To study a great extent through the codes of corporate Governance practices.	Researcher has found that the mandatory provisions of revised Clause 49 are Followed by most of the companies.
2.	Harish Kumar	2014	Corporate Governance A comparative Study on India & South Korea	To compare the corporate governance framework, practices in India and South Korea.	The result was shown that the good corporate governance practices in both countries and in India found the share of success in Infosys and Samsung in South Korea.
3.	Rajya Lakshmi and Laila Memdani	2014	A comparative study of corporate governance disclosure practices of manufacturing and software companies In India	To know the corporate governance disclosure practices Adopted by manufacturing and software companies in India	The study has shown that the large Variation between the manufacturing and software companies. It has been found that disclosure practices of software companies much better than manufacturing sector.
4.	Jyotindra M. Jani	2013	A Comparative Study of Corporate	To examine the corporate governance	The study found that both IOC and BPCL are followed the corporate

			Governance disclosure practices of B.P.C.L. & I O C.	disclosure practices in B.P.C.L & I.O.C.	governance guidelines of the SEBI and there is no large difference of both the companies.
5.	Mithesh Dadhnia	2013	Corporate governance : A study on IT firms in India	To know the corporate governance practices in IT firms.	The researcher found that IT company shows the all norms in their annual reports related to corporate governance.
6.	Rajat Deb	2013	A study on Corporate Governance Practices in Indian Banks	To study the corporate governance framework in Indian banks.	The result was shown that the all Indian banks followed the provision related to the clause 49 of SEBI.
7.	Mitali Mitra	2013	corporate governance practices in Indian aluminum industry	To study the corporate governance practices in Indian Aluminum industry.	The study revealed that the corporate governance disclosures practices by the Indian Aluminum industry is "Good" and to achieve the "Excellent level" to compete in the global scenario.
8.	Ankita Asthana and M.L. Dutt	2013	A Comparative Study of corporate governance practices in Public and Private Sector Banks	To examine the corporate governance code adopted by public and private sector banks in their annual reports.	The study has shown the annual report of audit committee, board meeting, shareholders information committee showing high level of Compliance both in public and private sector banks very less compliance specially is private banks.
9.	Hemal B. Pandya	2013	An impact of corporate governance practices on Indian firm's performance	To know the impact of corporate governance on the Indian firm's performance.	This study found that corporate governance influence the firm's value and it has no significant influence on firm's profitability performance.
10.	Mamta Brahmbhatt and Rashesh Patel	2012	An Empirical Analysis of corporate governance in public and private banks in India	To compare the corporate governance practices of private and public banks.	Researcher found that the public banks scoring more than the private bank because the public banks followed the norms of corporate governance in their

					annual report then compare to private bank.
11.	Rajesh chakrabarti and William L. Megginson	2012	A study on Corporate Governance practices in India	To know the framework of corporate governance in India	The study found that SEBI Clause 49 of the Listing Agreements dealing in India from corporate governance.

NEED OF THE STUDY

It has been observed that all the previous studies are based on corporate governance practices in single countries namely India, Japan, South Korea, Sri lanka and South Africa but this study is based on the group of five BRICS countries -

- This study would consider the practices of banking sector in BRICS countries as previous studies have not conducted on this particular topic. This study would be measured the banking sector of BRICS Nation because Banking sector play an important role in our developing Countries. Mostly banks are regulated by the government bodies. Banks need to enhance the shareholder value and to protect the interest of the shareholder; stakeholder unless banks adopt the transparency and integrity, banks cannot survive for long time so it is a need to a study of corporate governance practices.
- The study would present the differences in corporate governance practices of different countries in Global scenario.
- This study would help to the stakeholder and investors of the banks to know the corporate governance practices of the different countries which protect the interest of the stakeholder and investors.
- This study would enhance the knowledge of the investor which want to the invest in Banking of BRICS.

OBJECTIVES OF THE STUDY

The Research objectives help the researcher to avoid the collection of data which are not strictly necessary for understanding & solving problem that has defined.

The study will be conducted with a view ----

- To Study the legal environment of Corporate Governance in BRICS Countries.
- To Examine the Corporate Governance disclosure Practices of Banking sector in BRICS countries.
- To Make a comparative analysis of Corporate Governance disclosure practices in BRICS countries of banking sector.
- To Analyse the perception of users of banks towards Corporate Governance disclosure practices in BRICS countries of banking sector.

RESEARCH HYPOTHESIS

To provide the scientific base to the findings, the researcher will be constructed the following Null Hypotheses (H_0):-

- **H_{01}:** There is no significant difference between the corporate governance practices regarding Board of director of banking sector in BRICS countries.
- **H_{02}**: There is no significant difference between the corporate governance practices regarding Audit committee of banking sector in BRICS countries.
- **H_{03}**: There is no significant difference between the corporate governance disclosure practices among the selected bank of BRICS countries.

RESEARCH METHODOLOGY

Research methodology involves a full breakdown of all the options that have been chosen by a Banks in order to investigate something. This would include the procedures and techniques used to perform the research; as well as any of the terminology and explanations of how these methods will be applied effectively.

To accomplish the objectives of the study, the following research methodology would propose:-

a) RESEARCH DESIGN

The Research design for this study will be Descriptive as well as Analytical because it will be carried out the objectives and utilizes the large no. of data from the selected countries.

b) SAMPLE SELECTION CRITERIA

For fulfilling the objective, Top 3 Banks will be selected from each country. Indian banks will be selected on the basis of market capitalization as on 1stApril 2011 and banks of other countries (Brazil, Russia, and China and South Africa) will be selected on the basis of market capitalization as on 1st January 2011.

Indian banks presenting accounts according to financial year is from 1stApril-31stMarch therefore for Indians banks market capitalization as on 1stApril 2011 is considered and other BRICS countries presenting accounts according to calendar year that is from 1stJanuary –31stDecember therefore market capitalization as on 1stJanuary 2011 has been considered for other BRICS countries banks.

c) SAMPLE SIZE

Top 3 banks will be selected from each BRICS countries so the entre size is 15 banks.

d) DURATION OF THE STUDY

For the purpose of analysis of data researcher will considera period of five year i.e. 2011 to 2015.

e) METHOD OF DATA COLLECTION

The Data will be collected from the primary and secondary sources:

- **Primary Data**-The primary data will be collected by constructing a questionnaire and questionnaire will be served to the accounting information users of banks on the basis of Convenience sampling. The questionnaire will be served to 400 respondents as follow **:**
  - **I.** 200 respondents from India
  - **II.** 50 respondents from each country other than India from BRICS. (Brazil, Russia, China, South Africa)
- **Secondary Data**- Secondary data regarding the corporate governance practices will be collected from the annual report, websites of banks, journals, magazines and newspapers.

f) STATISTICAL AND PRESENTATION TOOLS

For the data analysis various statistical tools like Average, Percentages, ANOVA, Chi-square and other statistical tools will be used for analysis.

For the presentation of data various charts and Graph will be used

OBJECTIVE WISE RESEARCH METHODOLOGY

S.NO	OBJECTIVE	RESEARCH METHODOLOGY
1.	To Study the legal environment of Corporate Governance in BRICS Countries.	For this objective the Researcher will study the countries corporate laws and related laws from the countries websites.
2.	To Examine the Corporate Governance disclosure Practices of Banking sector in BRICS Countries.	Researcher will collect the five year annual report of selected banks stipulated period related to BRICS countries and to achieve this objective individualism checklist prepare on the basis of law prevailing in the country and for examine weighted Average will used.
3.	To Make a comparative analysis of Corporate Governance disclosure practices in BRICS Countries of Banking sector.	To fulfill this objective the researcher will prepare the common checklist on the basis of countries corporate laws and after preparing the checklist researcher will examine the disclosure practices of corporate governance in selected banks so researcher will use the ANOVA.
4.	To Analyse the perception of users of banks towards Corporate governance disclosure Practices in BRICS countries of Banking sector.	The Researcher will collect the information through questionnaire and these questionnaires to be distributed among the users of Banks in different countries. Researcher will use chi-square test.

PROPOSED CHAPTER PLAN

Chapter- 1	Introduction
Chapter- 2	Review of literature
Chapter- 3	Corporate governance practices in BRICS practices
Chapter- 4	Analysis and interpretation of corporate governance practices in BRICS countries
Chapter- 5	Analysis and interpretation of stakeholder perception
Chapter- 6	Finding, conclusions and suggestion Bibliography Appendix

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PARUL SARASWAT
(REASEARCH SCHOLAR)

Dr. SANIL KUMAR
(SUPERVISOR)
DEPT, Accountancy & Law

Prof. PRAMOD KUMAR
(HEAD &DEAN OF THE FACULTY)
DEPT, Accountancy & Law